

Oswego vote pending on \$64 million downtown project

kendallcountynow.com/2017/11/22/oswego-vote-pending-on-64-million-downtown-project/an3awzw/



Shaw Media file photo

The Village of Oswego announced today negotiations have concluded on a \$64 million redevelopment deal with the Shodeen Group for the former Alexander Lumber property at Washington Street (Route 34) and Adams Street in the village's downtown.

The village board is expected to approve the deal during a meeting set for Dec. 11, according to a statement issued by the village.

As proposed by Shodeen, The Reserve at Hudson Crossing will include two six-story buildings that will include 245 apartments, 12,000 square feet of new restaurant and retail space fronting Washington Street, streetscape improvements and two levels of public parking that will create 506 spaces for residents and downtown shoppers.

"It has been exhilarating to watch the vision and planning of this village board come to fruition through our talented staff. Economic Development Director Corinna Cole and Administrator Dan Di Santo have led efforts on behalf of the board to shape what will be the largest development deal in Oswego's history," said Village President Gail Johnson. "This is a transformative project that will be a catalyst for additional development in our downtown. The

Reserve at Hudson Crossing is about enhancing the identity of our community. Residents and business owners have asked for a vital, thriving downtown. Now, we are one step closer to making our shared vision possible.”

The \$64 million project exceeds many of the expectations for what is at the heart of the village’s long-range planning: a redevelopment on the former lumberyard site that will jump-start reinvestment in the downtown, according to the statement. By combining the lumberyard site with adjacent properties to the north, the project is expected to generate more property tax revenue than previously proposed and accelerate the rate of redevelopment for the whole downtown.

The lumberyard site has stood vacant for the past decade. The village purchased the property last November at a cost of \$1,492,500, which is the average between the village’s appraisal of \$1.35 million for the property and the property owner’s appraisal of \$1.635 million. The village used a portion of its reserve funds to cover the purchase price and plans to reimburse itself through the sale of the current police station at 3525 Route 34, which has an appraised value of \$1.5 million.

The village’s contributions to the project total approximately \$7 million, all of which is eligible to be reimbursed to the village through future TIF-funded projects, and includes the initial land purchase that made the deal possible, as well as the complete reconstruction, infrastructure improvement, and redesign of Harrison, Jackson and Adams Streets, which are aging and in need of repair. To back the construction of the publicly owned parking deck, the village will additionally issue a \$16 million bond to be repaid by Shodeen through incremental property tax payments.

At the end of the project, the village will own the parking decks, and, along with the street reconstruction project, will acquire assets worth approximately \$20 million.

Shodeen will contribute a total private investment of \$57 million, split between \$41 million in traditional private financing and \$16 million in TIF increment property taxes.

“This has been a carefully considered and hard-driven bargain,” Di Santo said. “In the end, Shodeen gets profitable project and the village gets a revitalized downtown. The village will also receive long-needed streetscape enhancements and a publicly owned parking deck, which we are getting for a very good price.”

“The Chicago Metropolitan Agency’s (CMAP) comprehensive planning work called ‘Goto 2040’ and CMAP’s ‘Onto 2050’ urges and emphasizes the need for communities in the six collar counties to reinvest in their downtown areas deploying opportunities for compact, walkable, and mixed-use development that will provide the residents with a range of housing options,” Dave Patzelt, president of Shodeen Group, said. “Shodeen has been actively pursuing these trends for years and are proud to join the thoughtful leaders in Oswego who are championing this very same objective as urged by CMAP and the market. Shodeen is proud to contribute our expertise to this partnership with the Oswego leaders, taking this long-dormant property

and redeveloping it into not only a housing opportunity but also an economic engine for the existing and future businesses of downtown Oswego. Truly all involved are taking the appropriate steps to transform this vacant parcel into the Reserve at Hudson Crossing.”

Following the formal approval of the agreement, it will take approximately one year to break ground, and move-in for the large project is expected by fall 2021, according to the statement.